



**Tennessee Business Roundtable
The Changing Face of Higher Education – The Role of Business
Summary of regional meetings
September 2010**

For every 100 ninth graders in Tennessee, just 19 will graduate with an associate's or bachelor's degree. This means that Tennessee is ranked 44th in the nation in the percentage of working-age adults with an associate's degree or higher at 31.3 percent. In 2025, Tennessee's educational attainment rate is expected to be at 39.5 percent, still falling below the national average. However, if Tennessee achieved the national average in degree attainment, its citizens would earn an estimated \$6 billion in additional wages and salaries each year, generating as much as \$400 million in additional tax revenues for the state annually.

The link between a state's educational attainment and economy vitality is clear. Tennessee leaders embedded that connection in public policy when they passed the Complete College Tennessee Act (CCTA) in January 2010. The CCTA directs the Tennessee Higher Education Commission (THEC) to develop a Master Plan that:

1. Addresses the state's economic development, workforce development and research needs;
2. Ensures increased degree production within the state's capacity to support higher education; and
3. Mission differentiation for minimized redundancy in degree offerings, instructional locations, and competitive research.

CCTA further directs THEC,

*“In developing the master plan, the commission shall **engage regional and statewide constituencies** ...shall establish a master plan that requires a broad degree of **regional cooperation** between postsecondary institutions with secondary institutions **and business, civic and community leaders**”*

The Tennessee Business Roundtable, in partnership with THEC and the Lumina Foundation, took the lead in engaging regional constituencies and beginning conversations about regional cooperation between postsecondary institutions, business and community leaders. With the support of local Chambers of Commerce and business organizations, the Business Roundtable brought together more than 100 stakeholders in Knoxville, Jackson, Nashville, and Memphis.



Tennessee Business Roundtable Regional Meetings		
City	Partner	Number of Attendees
Knoxville	Knoxville Area Chamber of Commerce	28
Jackson	Jackson Area Chamber of Commerce	20
Nashville	Nashville Area Chamber of Commerce	45
Memphis	Memphis Tomorrow	60

Reintroduced the Complete College Tennessee legislation. When the CCTA was introduced in the state legislature in January 2010, much of the public and the media attention were focused on Governor Bredesen’s proposed legislative changes to the K-12 education system, which focused on making Tennessee more competitive in the federal Race to the Top contest. Reforms to the higher education system, such as the redesign of the state funding formula, were largely lost in the shuffle. The regional forums were an opportunity for THEC to present the case for reform and the reforms themselves.

Put participants on notice about the challenges ahead. Tennessee set an ambitious goal of producing 210,000 additional cumulative degrees by 2025. The higher education system is also operating with roughly the same state funding levels as it did in the year 2000. In addition, slow economic growth and no political will for increased taxes means that higher education faces the challenge of doing more with less.

Initiated discussion between the business and higher education communities. Participants offered a number of insights and policy recommendations to achieve the goal of producing a more educated workforce.

In Knoxville, panelists included Chancellor Jimmy Cheek; Doug Horne, University of Tennessee Trustee; and Allen Edwards, President of Pellissippi State Community College. Richard Rhoda, Executive Director of the Tennessee Higher Education Commission, presented a PowerPoint on the impetus for and policy changes in the Complete College Tennessee Act and moderated the discussion that followed.

- Chancellor Cheek stressed the significance to institutions and students of helping students attain degrees in a shorter period. He asked participants to consider, “How can we get more students wanting to go to summer school?” Chancellor Cheek pointed to the HOPE scholarship, whose rules limit its use, as an obstacle for students who want to earn credits during summer months. Suggesting that it is time to consider revising such policies, he recommended looking for other ways to move students through the higher education system efficiently. He further emphasized the key role community colleges play in helping four-year institutions increase productivity.



- Doug Horne, a member of the University of Tennessee Board of Trustees, asked whether we are providing the needed resources to higher education to do the job we have asked of them. Mr. Horne, Chancellor Cheek and others underscored the transition in funding for higher education with only 30 percent of institutional support actually coming from state appropriations.
- Mike Strickland, Chair of the Knoxville Area Chamber of Commerce, provided summary comments from his business perspective. He observed the need to engage the business community more in recognizing that 1) the nature of business has changed, which means that graduates are competing *globally*; 2) our culture has changed and; therefore, 3) the value, importance, and necessity of higher education will only continue to increase.

Dr. Rhoda moderated the panel discussion in Jackson, where he was joined by Chancellor Charles Manning, Tennessee Board of Regents; Tom Rakes, Chancellor, University of Tennessee at Martin; and Dr. Bruce Blanding, Director of the Tennessee Technology Center at Jackson.

- Chancellor Manning spoke to the need for every local community to consider how they will support students who cannot afford a postsecondary certificate or degree on their own. He pointed to Kingsport, Tennessee, as a stellar example of a community that recognized the gap between industry's need for an educated workforce and individuals' ability to pay for that education. Kingsport, in the name of workforce development, is paying for every qualified high school graduate to attend community college free of charge. Chancellor Manning also talked about the need to change the image of community college so prospective students will want to attend and look to them as a point of entry for four year institutions.
- Chancellor Rakes underscored Manning's comments about the important role of local communities. Partnerships between local businesses and institutions are paramount for the development of relevant programs and curriculum; access to facilities; or providing internship opportunities to students.

In Nashville, Dr. Rhoda and Chancellor Manning were joined by Jan Simek, Interim President of the University of Tennessee; Sidney McPhee, President of Middle Tennessee State University.

- Dr. Simek noted that an outcome of the CCTA will be the development of smoother relationships between institutions, something, he said, that should have been done long ago. He cited the UT and Oak Ridge National Laboratory establishment of an institute for energy and the environment as just such an example.



- As other panelists in previous meetings, Dr. Simek and Dr. McPhee emphasized the importance of communication between businesses and institutions. Dr. Simek further stressed the need for businesses to interact with students, as well, noting they will make academic and career decisions in response to financial incentives, namely scholarships.
- Dr. McPhee reflected that while dialogue between business and higher education is good, it could be better.

Mayor AC Wharton, Pitt Hyde and Jim Powell, CEO of Powell Companies and President of the Tennessee Business Roundtable, welcomed more than 60 participants in Memphis, who heard presentations from Kriner Cash, Superintendent of Memphis City Schools; David Wright, Director of Research, Policy and Planning, Tennessee Higher Education Commission; Ralph Faudress, Provost, University of Memphis; Nate Essex, President, Southwest Tennessee Community College; Roland Rayner, Director, Tennessee Technology Center at Memphis; Steve Schwab, Chancellor, University of Tennessee Health Science Center; John Moore, President and CEO, Greater Memphis Chamber of Commerce; Steven Bares, President and CEO, Memphis Bioworks Foundation.

- Relationships, Dr. Essex told the group, play an important role in a student's ability to connect to an institution and ultimately complete a degree. Dr. Essex spoke, as Dr. Simek had in Nashville, about his institution's efforts to help students make connections with faculty and other students.
- Several panelists and audience members emphasized internships as key to connecting institutions and businesses as well as preparing students for the workforce.
- Audience members were curious, as they had been in other cities, what THEC and the state are doing to include for-profit institutions in the discussion. THEC explained that for the first time, for-profit institutions will be included in the state's degree production count, but acknowledged that they have not been included formally in programmatic initiatives.

Meeting participants in all four cities were asked to complete a survey, a hard copy of which was provided but is also available online: <http://www.surveymonkey.com/s/7W62LVW>. The results to each question can be found in the attached table. Of particular note,

- A majority (77 percent) of respondents agreed that the State's goal to increase the numbers of certificate and degree completers from colleges and universities by at least 26,000 by 2015 and 210,000 by 2025 are about right and within reach.



- A majority of respondents also agreed with the State’s ongoing education reform initiatives and encouraged the new Governor and Legislature to champion their full implementation. The survey demonstrates, however, that there is concern over several elements of the reforms:
 - Thirty-three percent disagree with the elimination of duplicate degree offerings at four year colleges;
 - Fifty-four percent disagree with the requirement that students and donors carry more of the financial cost of higher education; and
 - Forty-five percent disagree that all remedial education be eliminated from four-year institutions.

The regional meetings were the beginning of deeper conversations and actions to achieve the ambitious goals set out for Tennessee in the CCTA. The Tennessee Business Roundtable will host a Productivity Summit in Nashville, currently scheduled in late October, and a Legislative Retreat in January.